

# FISCAL NOTE

## HB 2356 - SB 2846

January 23, 2002

**SUMMARY OF BILL:** Amends the retirement law by requiring the state to assume:

- the employee contributions for kindergarten through 12<sup>th</sup> grade teachers.
- the employee contribution paid by any teacher to a local retirement plan for the teacher's participation in such plan up to 5% of the teacher's earnable compensation.

### ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$80,959,000**

**Increase Local Govt. Expenditures\* - \$53,973,000**

Estimate assumes:

- the indexed covered payroll is \$2,688,000,000
- five percent contribution by the 2001 covered teacher payroll (indexed by 3%) is \$134,932,000
- a 60%-40% ratio between state and local education agencies.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

**HB 2356 - SB 2846**